

## Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 167979  
ORIGIN EA-09

INFO OCT-01 ISO-00 EB-07 SP-02 USIA-06 AID-05 NSC-05  
EPG-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 FRB-03  
COME-00 PA-01 L-03 /065 R

DRAFTED BY EA/TIMBS:ARDORNHEIM:CCH  
APPROVED BY EA/TIMBS:REFRITTS

-----118989 200108Z/70

R 191900Z JUL 77  
FM SECSTATE WASHDC  
TO AMEMBASSY JAKARTA

LIMITED OFFICIAL USE STATE 167979

E.O. 11652: N/A

TAGS: EFIN, ID

SUBJECT: PERTAMINA'S LEASED TANKERS AND THE BANKS:  
STATUS UPDATE

1. BANKING COMMUNITY'S ATTITUDE TOWARD INDONESIA HAS EASED, ACCORDING MORGAN GUARANTY SOURCE, EVEN THOUGH MOST OF SITUATIONS WHICH CREATED ANXIETY LAST YEAR STILL HAVE NOT BEEN RESOLVED. FIRST GOI PAYMENTS, AFTER TWO YEAR GRACE PERIOD, ON JUNE 6, 1975 LOAN SYNDICATIONS MADE ON TIME. THERE HAS BEEN NO EFFORT BY BANK INDONESIA TO ROLL OVER DEBT. RECORD AMOUNT OF FOREIGN EXCHANGE NOW IN BANK INDONESIA ACCOUNTS. THESE POSITIVE EVENTS HAVE TENDED PUSH INTO BACKGROUND FACT THAT PERTAMINA LEASED TANKER LITIGATION WITH RAPPAPORT STILL UNRESOLVED (ALTHOUGH RUMORS OF AN IMMINENT SETTLEMENT HAVE CROPPED UP), AND FACT THAT MORGAN GUANRANTY UNLIKELY GET REQUIRED 100 PERCENT WAIVERS FROM SYNDICATE BANKS OF TECHNICAL DEFAULT CREATED BY PRIOR LIEN ARRANGEMENTS ENJOYED BY JAPANESE AND LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 167979

OTHER BANKS FINANCING LNG PROJECT. BOTH CITIBANK AND BANK AMERICA STILL REFUSE TO WAIVE. BANK MANAGEMENTS, HOWEVER, REPORTEDLY WILLING NOW TO ACT ON BASIS THEIR BUSINESS JUDGMENTS, NOT ON NARROW LEGAL JUDGMENTS OF THEIR GENERAL COUNSEL.

2. ACCORDING SAME MORGAN GUARANTY SOURCE WHILE INDONE-

SIANS DO NOT NEED GO TO CAPITAL MARKET NOW, THEY MIGHT USE THEIR CURRENTLY STRONG POSITION TO TEST MARKET IF A GOOD PROJECT WERE READY TO BE FINANCED. 50 MILLION DOLS LNG COST OVERRUN LOAN SYNDICATED BY BANK OF TOKYO AND INDUSTRIAL BANK OF JAPAN (WHICH WAS LEVERAGE USED BY JAPANESE SHIPBUILDING INTERESTS LAST SUMMER IN UNSUCCESSFUL EFFORT TO BREAK PERTAMINA-BURMAH TANKERS LNG TRANSPORTATION CONTRACT) IS ABOUT READY TO SIGN. VANCE

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LITIGATION, MARINE TRANSPORTATION, BANKS, DEBT REPAYMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 19-Jul-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE167979  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** ARDORNHEIM:CCH  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770257-0091  
**Format:** TEL  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770742/aaaabjuf.tel  
**Line Count:** 70  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 0b599a67-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN EA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 11-Feb-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1815718  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PERTAMINA'S LEASED TANKERS AND THE BANKS: STATUS UPDATE  
**TAGS:** EFIN, EWWT, ID, PERTAMINA  
**To:** JAKARTA  
**Type:** TE  
**vdkvgwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/0b599a67-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009